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**DeNUCCI SAYS MOST CHARTER
SCHOOLS FISCALLY SOUND**

State Auditor Joe DeNucci reported today that a review of the financial statements of the Commonwealth's charter schools found that most are in fiscally sound condition.

Charter schools are public schools that operate mostly independent of local school districts. They receive 86 percent of their operating revenue from state funding (tuition payments) and state and federal grants, with the remainder coming from other sources such as donations from private contributors. Charter schools must demonstrate their ability to be fiscally and operationally viable.

According to DeNucci's report, 32 of the 39 charter schools in fiscal year 2002 had net income, or surplus revenue, averaging almost \$463,400 – representing about 12 percent of their total revenue. Only six schools showed net losses averaging \$88,716 in fiscal 2003.

In fiscal year 2003, with the number of charter schools increasing to 48, DeNucci disclosed that 38 reported net income averaging \$254,239. Of these, 24 had net gains equal or greater than five percent of their total revenue, for an average of 11.3 percent. Only nine schools suffered losses averaging almost \$117,000 during this period.

DeNucci's study also showed that because charter schools retain their net income from year to year, they have accumulated total net assets of \$54,975,231 as of June 30, 2003, with an average balance of \$1,169,686.

DeNucci's report also calculated various financial ratios indicating that charter schools are generally in good financial shape.